

STATE CORPORATION COMMISSION

AT RICHMOND, OCTOBER 5, 2005

APPLICATION OF

ROANOKE GAS COMPANY

For an expedited increase in rates

CASE NO. PUE-2005-00075

ORDER FOR NOTICE AND HEARING

On September 15, 2005, Roanoke Gas Company ("Roanoke" or the "Company") filed a rate application, supporting testimony, and exhibits with the State Corporation Commission ("Commission") for an expedited increase in rates. Roanoke seeks to increase its annual revenues by \$2,000,781, an increase of approximately 2.2%. The Company requests that it be permitted to place its proposed rates for service and all terms and conditions proposed in its supporting testimony into effect for service rendered on and after October 23, 2005.¹

The Company reports that its operations have not materially changed since its last rate case; however, several components of operating costs are reported rising faster than the rate of customer growth, which leads to the Company's application for rate relief filed herein.

Section B of the Commission's Rules Governing Utility Rate Increase Applications and Annual Informational Filings ("Rules"), 20 VAC 5-200-30, permits the rates of a public utility to take effect within 30 days after the application is filed, subject to refund, pending investigation, so long as the rate application complies with the Rules and the utility has not experienced a substantial change in circumstances since its last rate case. In its application, the Company is not proposing any new accounting adjustments and is utilizing the same rate of return on equity as approved in the Company's last general rate Order, issued January 7, 2003, in Case No.

¹ The Company filed a Supplement to Schedules 2 and 25 on September 22, 2005. Staff filed a Memorandum of Completeness on September 26, 2005, noting that the application's completion was on September 15, 2005.

DOCUMENT CONTROL

PUE-2002-00373. On October 4, 2005, the Commission's Staff filed an interim Report, in which it concluded that there is a reasonable probability that the proposed increase will be justified following a full investigation and hearing.

NOW UPON CONSIDERATION of the Company's application, the Commission is of the opinion and finds that this matter should be docketed, that a Hearing Examiner should be assigned to conduct all further proceedings in this matter on behalf of the Commission, and that a procedural schedule should be established as prescribed herein.

Accordingly, IT IS ORDERED THAT:

(1) Roanoke's application for approval of an expedited increase in rates is docketed and assigned Case No. PUE-2005-00075.

(2) Roanoke may put its rates into effect on an interim basis subject to refund on October 23, 2005.

(3) A public hearing shall be convened on March 29, 2006, at 10:00 a.m., in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, to receive comments from members of the public and to receive evidence on the captioned application. Any person not participating as a respondent as provided in Ordering Paragraph (10) below, may give oral testimony concerning the application as public witness at the March 29, 2006, public hearing. Public witnesses desiring to make statements at the public hearing concerning this application need only appear in the Commission's second floor courtroom in the Tyler Building at the address set forth above prior to 9:45 a.m. on the day of the hearing and register a request to speak with the Commission's bailiff.

(4) As provided by § 12.1-31 of the Code of Virginia and Rule 5 VAC 5-20-120 of the Commission's Rules of Practice and Procedure, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to issue a final report herein.

(5) Upon written request received by its counsel, the Company shall provide a copy of the application to the requesting party at no cost. If acceptable to the requesting individual, the Company may provide the application, with or without attachments, by electronic means. Written requests shall be made to Richard D. Gary, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. Interested persons may also review a copy of the application and the Commission's Order for Notice and Hearing in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Monday through Friday.

(6) On or before November 28, 2005, Roanoke shall complete publication of the following notice as display advertising (not classified) on one occasion in newspapers of general circulation throughout the Company's service territories within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION
BY ROANOKE GAS COMPANY, FOR
APPROVAL OF AN EXPEDITED INCREASE IN RATES
CASE NO. PUE-2005-00075

On September 15, 2005, Roanoke Gas Company ("Roanoke" or the "Company") filed a rate application, supporting testimony and exhibits with the State Corporation Commission ("Commission") for an expedited increase in rates. Roanoke seeks to increase its annual revenues by \$2,000,781, an increase of approximately 2.2%.

The rates are proposed to go into effect for service rendered on and after October 23, 2005. Roanoke may put its rates into effect on an interim basis, subject to refund, on October 23, 2005.

On or before December 19, 2005, any interested person may file written comments on the Company's request with the

Clerk of the Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Interested persons may also submit comments electronically on the Commission's website: <http://www.scc.virginia.gov/caseinfo.htm>. Persons commenting electronically need not file written comments.

Copies of the application are available through written request to counsel for the Company, Richard D. Gary, Esquire, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. Interested persons may also review a copy of the application and the Commission's Order for Notice and Hearing in the Commission's Document Control Center, located on the First Floor of the Tyler building, 1300 East Main Street, Richmond, Virginia between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday. A copy of the Commission's Order may also be obtained on the Commission's website: <http://www.scc.virginia.gov/caseinfo.htm>.

A public hearing on the application will be held on March 29, 2006, at 10:00 a.m., in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia.

Any interested person may participate as a respondent in the proceeding by filing, on or before December 19, 2005, an original and fifteen (15) copies of a notice of participation with the Clerk of the Commission at the address set forth above. Interested parties should obtain a copy of the Commission's Order for further details on participation as a respondent.

Interested persons not participating as a respondent may give oral testimony concerning the application as a public witness at the March 29, 2006, public hearing. Public witnesses desiring to make statements at the public hearing concerning this application need only appear in the Commission's second floor courtroom in the Tyler Building at the address set forth above prior to 9:45 a.m. on the day of the hearing and register a request to speak with the Commission's bailiff.

All filings with the Clerk of the Commission shall refer to Case No. PUE-2005-00075 and shall simultaneously be served on counsel to the Company at the address set forth above.

ROANOKE GAS COMPANY